

**[DISCUSSION DRAFT]**115TH CONGRESS  
1ST SESSION**H. R.** \_\_\_\_\_

To preserve the State-based system of insurance regulation and provide greater oversight of and transparency on international insurance standards setting processes, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. DUFFY (for himself and Mr. HECK) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To preserve the State-based system of insurance regulation and provide greater oversight of and transparency on international insurance standards setting processes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “International Insur-  
5 ance Standards Act of 2017”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds the following:

1           (1) The State-based system for insurance regu-  
2           lation in the United States has served American con-  
3           sumers well for more than 150 years and has fos-  
4           tered an open and competitive marketplace with a  
5           diversity of insurance products to the benefit of pol-  
6           icyholders and consumers.

7           (2) Protecting policyholders by regulating to en-  
8           sure an insurer's ability to pay claims has been the  
9           hallmark of the successful United States system and  
10          should be the paramount objective of domestic pru-  
11          dential regulation and emerging international stand-  
12          ards.

13          (3) The Dodd-Frank Wall Street Reform and  
14          Consumer Protection Act (Public Law 111–203) re-  
15          affirmed the State-based insurance regulatory sys-  
16          tem.

17 **SEC. 3. REQUIREMENT THAT INSURANCE STANDARDS RE-**  
18 **FLECT UNITED STATES POLICY.**

19          Parties representing the Federal Government in any  
20          international regulatory, standard-setting, or supervisory  
21          forum or in any negotiations of any international agree-  
22          ments relating to the prudential aspects of insurance shall  
23          not agree to, accede to, accept, or establish, and shall use  
24          their voice and vote to oppose, any international insurance

1 standard proposal, including proposals developed by the  
2 International Association of Insurance Supervisors, that—

3 (1) is inconsistent with and does not reflect ex-  
4 isting Federal and State laws, regulations, and poli-  
5 cies on regulation of insurance, including the pri-  
6 macy of policyholder protection in solvency regula-  
7 tion; and

8 (2) would not recognize existing Federal and  
9 State laws, regulations, and policies on the regula-  
10 tion of insurance as satisfying such proposals.

11 **SEC. 4. STATE INSURANCE REGULATOR INVOLVEMENT IN**  
12 **INTERNATIONAL STANDARD SETTING.**

13 In developing international insurance standards pur-  
14 suant to section 3, and throughout the negotiations of  
15 such standards, parties representing the Federal Govern-  
16 ment shall, on matters related to insurance, closely con-  
17 sult, coordinate with and include in such meetings, State  
18 insurance commissioners or, at the option of the State in-  
19 surance commissioners, designees of the insurance com-  
20 missioners acting at their direction.

21 **SEC. 5. CONSULTATION WITH CONGRESS.**

22 (a) CONSULTATION.— Before initiating negotiations  
23 to enter into an agreement under section 3, during such  
24 negotiations, and before entering into any such agreement,  
25 parties representing the Federal Government shall provide

1 written notice to and consult with the Committee on Fi-  
2 nancial Services of the House of Representatives and the  
3 Committee on Banking, Housing, and Urban Affairs of  
4 the Senate regarding—

5 (1) the intention of the United States to par-  
6 ticipate or enter into such negotiations;

7 (2) the nature and objectives of the negotia-  
8 tions; and

9 (3) the implementation of the agreement, in-  
10 cluding how it is consistent with and does not mate-  
11 rially differ from or otherwise affect State laws or  
12 regulations.

13 (b) SUBMISSION AND LAYOVER PROVISIONS.—Par-  
14 ties representing the Federal Government may not sign  
15 the final text or otherwise agree to, accept, or establish  
16 an agreement under section 3 before—

17 (1) such parties submit to the committees speci-  
18 fied in subsection (a), on a day in which both  
19 Houses of Congress are in session, a copy of the  
20 final legal text of the agreement; and

21 (2) a period of 90 calendar days beginning on  
22 the date on which the copy of the final legal text of  
23 the agreement is submitted to the congressional  
24 committees under paragraph (1) has expired.

1   **SEC. 6. CONGRESSIONAL REVIEW.**

2           (a) IN GENERAL.—The final legal text of any agree-  
3   ment reached by parties representing the Federal Govern-  
4   ment under section 3 shall, except as provided in sub-  
5   section (b) of this section, be treated as a rule for the  
6   purposes chapter 8 of title 5, United States Code, and  
7   shall have no force and effect if disapproved under such  
8   chapter.

9           (b) INAPPLICABILITY.—Paragraph (2) of section  
10   801(b) of title 5, United States Code, shall not apply to  
11   any agreement described in subsection (a) of this section  
12   that is disapproved pursuant to such subsection and chap-  
13   ter 8 of title 5, United States Code.

14          (c) SUBMISSION OR PUBLICATION DATE.—With re-  
15   spect to Congressional consideration of an agreement de-  
16   scribed in subsection (a) of this section, pursuant to sub-  
17   section (a) of this section and chapter 8 of title 5, United  
18   States Code, the term “submission or publication date”  
19   means the day on which the final legal text of the agree-  
20   ment is signed or the agreement is entered into by parties  
21   representing the Federal Government.

22   **SEC. 7. COVERED AGREEMENTS.**

23          (a) PREEMPTION OF STATE INSURANCE MEAS-  
24   URES.—Subsection (f) of section 313 of title 31, United  
25   States Code, is amended by striking “Director” each place  
26   such term appears and inserting “Secretary”.

1 (b) DEFINITION.—Paragraph (2) of section 313(r) of  
2 title 31, United States Code, is amended—

3 (1) in subparagraph (A), by striking “and” at  
4 the end;

5 (2) in subparagraph (B), by striking the period  
6 at the end and inserting “; and”; and

7 (3) by adding at the end the following new sub-  
8 paragraph:

9 “(C) does not include new prudential re-  
10 quirements for United States insurers.”.

11 (c) CONSULTATION; SUBMISSION AND LAYOVER;  
12 CONGRESSIONAL REVIEW.—Section 314 of title 31,  
13 United States Code is amended—

14 (1) in subsection (b)—

15 (A) in paragraph (1)—

16 (i) by striking “and” after “House of  
17 Representatives” and inserting a comma;  
18 and

19 (ii) by inserting after “Committee on  
20 Finance of the Senate” the following: “,  
21 and the International Trade Advisory  
22 Committee on Services and Finance Indus-  
23 tries established pursuant to section  
24 135(c)(1) of the Trade Act of 1974 (19  
25 U.S.C. 2155(c)(1))”; and

1 (B) in paragraph (2)(C), by striking  
2 “laws” and inserting the following: “and Fed-  
3 eral law, and the nature of any changes in the  
4 laws of the United States or the administration  
5 of such laws that would be required to carry out  
6 a covered agreement”;

7 (2) in subsection (c)—

8 (A) in the matter preceding paragraph (1),  
9 by striking “only if—” and inserting the fol-  
10 lowing: “only if, before signing the final legal  
11 text or otherwise entering into the agreement—  
12 ”;

13 (B) in paragraph (1)—

14 (i) by striking “congressional commit-  
15 tees specified in subsection (b)(1)” and in-  
16 serting “congressional committees and  
17 International Trade Advisory Committee  
18 specified in subsection (b)(1) and to staff  
19 with proper security clearances”; and

20 (ii) by striking “; and” and inserting  
21 “and a report detailing any anticipated  
22 changes to United States law and the ra-  
23 tionale for such changes, including why  
24 such changes are in the best interest of the  
25 United States;”; and

1 (C) in paragraph (2), by inserting “, Inter-  
2 national Trade Advisory Committee, and staff”  
3 after “congressional committees”;

4 (3) by adding at the end the following new sub-  
5 sections:

6 “(d) CONGRESSIONAL REVIEW.—

7 “(1) IN GENERAL.—The final legal text of a  
8 covered agreement shall be treated as a rule for the  
9 purposes of chapter 8 of title 5, United States Code,  
10 and shall have no force and effect if disapproved  
11 under such title.

12 “(2) INAPPLICABILITY.—Paragraph (2) of sec-  
13 tion 801(b) of title 5, United States Code, shall not  
14 apply to any covered agreement that is disapproved  
15 pursuant to paragraph (1) of this subsection and  
16 chapter 8 of title 5, United States Code.

17 “(3) SUBMISSION OR PUBLICATION DATE.—  
18 With respect to Congressional consideration of a  
19 covered agreement, pursuant to paragraph (1) of  
20 this subsection and chapter 8 of title 5, United  
21 States Code, the term ‘submission or publication  
22 date’ means the day on which the final legal text of  
23 the covered agreement is signed or the agreement is  
24 entered into by parties representing the Federal  
25 Government.



1       “(e) PARTICIPATION OF STATE INSURANCE COMMIS-  
2       SIONERS.—Throughout the negotiations of a covered  
3       agreement, parties representing the Federal Government  
4       shall closely consult and coordinate with, and include in  
5       such meetings, State insurance commissioners or, at the  
6       option of the State insurance commissioners, designees of  
7       the insurance commissioners acting at their direction.”.